

# TABLE OF CONTENTS

## D FINANCE SECTION

### D-I FINANCE SECTION ORGANIZATION

#### D-I-A FINANCE SECTION CHIEF

#### D-I-B CLAIMS UNIT

#### D-I-C COST UNIT

#### D-I-D TIME UNIT

#### D-I-E PROCUREMENT UNIT

#### D-I-F OSC ACCESS TO THE FUND

### D-I-H LEAD ADMINISTRATIVE TRUSTEE ACCESS TO THE FUND

#### D-I-I RESOURCE DAMAGE ASSESSMENT PROCEDURES

# LIST OF FIGURES

## UNIFIED COMMAND SYSTEM

## FINANCE SECTION ORGANIZATION

## D FINANCE SECTION

OPA 90 has improved the procedures and availability of funding for all agencies (federal, state, and local) involved in oil spill response. Funding of oil spills is accomplished through the Oil Spill Liability Trust Fund. This fund is divided into two sections. The part of the fund which is of interest to this plan is the Emergency Fund. It consists of \$50M which is appropriated annually by Congress. This section of the fund may be used for response activities and to initiate Natural Resources Damage Assessments.

The most significant improvement in funding brought about by OPA 90 is the ability of the Federal OSC to "partially federalize" a response. In the event of a significant spill prior to OPA 90, the OSC could not pay for any resources out of the fund without taking over the entire spill from the responsible party. OSCs were justifiably reluctant to do this in instances where the responsible party was responding well. Under OPA 90 the OSC may allow the responsible party to continue all response efforts within their capability. The OSC may simultaneously secure and direct additional response efforts using contractors or government personnel and equipment. Local examples of this would be having the responsible party hire commercial contractors and the OSC directing Coast Guard and Navy resources. Navy and Coast Guard costs would be reimbursed through the fund and ultimately recovered from the responsible party.

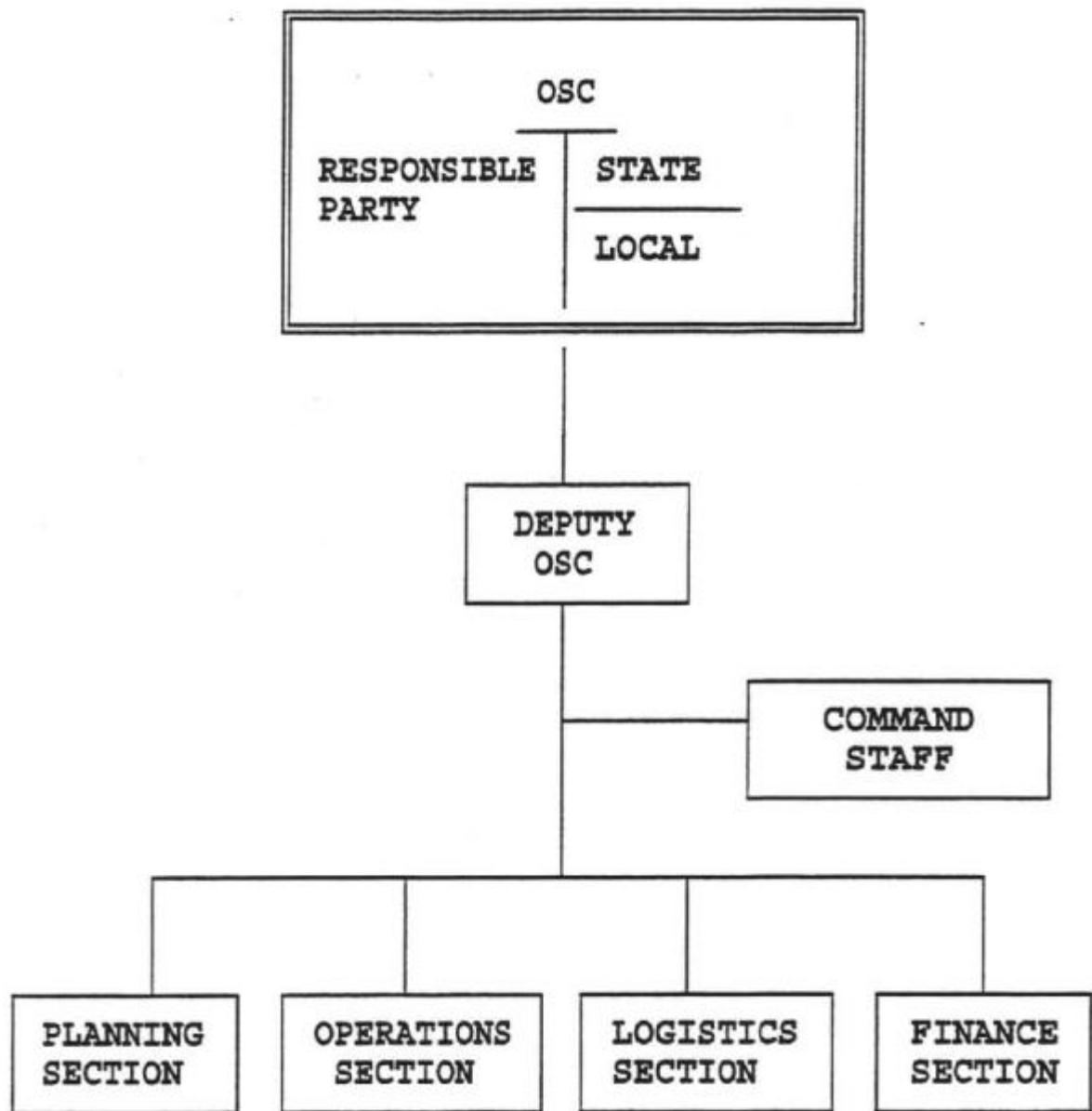


FIGURE 1  
UNIFIED COMMAND SYSTEM

# D-I FINANCE SECTION ORGANIZATION

The Finance Section (figure 2) includes:

- A. Finance Section Chief;
- B. Claims Unit;
- C. Cost Unit;
- D. Time Unit;
- E. Procurement Unit.

FIGURE 2  
FINANCE SECTION ORGANIZATION

# D-I-A FINANCE SECTION CHIEF'S RESPONSIBILITIES

- (1) Implement and manage the Finance Section branches and units needed to proactively accomplish Finance Section actions.
- (2) Provide, manage, coordinate, document, and account for access to response funding sources, including the Oil Spill Liability Trust Fund (OSLTF), Natural Resources Damage Assessment Fund (NRDA), State funding sources, and other sources of response funding.
- (3) Coordinate and ensure the proper completion of response cost accounting documentation
- (4) Coordinate and manage response ceilings, budgets and cost estimates.
- (5) Provide financial support for contracting services, purchases, and payments.
- (6) Serve as the primary contact to the National Pollution Fund Center (NPFC) and the NPFC Case Officer to coordinate response cost recovery actions.
- (7) Identify additional financial services resources or logistics support needed.
- (8) Report on the status of Finance Section services.

# D-I-B CLAIMS UNIT

- (1) Receive, coordinate, document, and process claims against the OSLTF, NRDA, or State funding sources.
- (2) Coordinate evaluation of personal property damage claims.
- (3) Identify additional resources and logistics support needed to process claims.
- (4) Report on the status of claims processing.

# D-I-C COST UNIT

- (1) Manage, coordinate, and perform cost documentation in accordance with OSLTF and State requirements to account for response costs.
- (2) Plan, coordinate, document, and account for response costs based on the time personnel, equipment, and other resources are accountable to the response.
- (3) Identify additional resources and logistics support needed to perform cost documentation and time keeping services.
- (4) Report on documented response costs and projected response costs.

## DOCUMENTATION AND COST RECOVERY PROCEDURES

There are three primary aspects to successful cost recovery and documentation of significant pollution events: rapid start, dedicated personnel and correct forms and submission procedures. Procedures for various agencies are listed in subsequent tabs to this appendix.

The requirement for a rapid start to documentation will be apparent upon examining the necessary forms and procedures.

The need for dedicated documentation personnel varies with the amount of agency involvement. In a significant spill dedicated Coast Guard resources are a must. The individuals dedicated to documentation must not be assigned principal or back up operational tasks. They also must not be visiting or temporarily assigned personnel who will depart at the end of the active response.

There are two principle sources of assistance in documenting costs which are available to all organizations. These are the assigned Case Officer at the National Pollution Fund Center and the District Response Advisory Team. Although these sources are available to all organizations, it may be more efficient to coordinate their assistance through MSO Jacksonville.

There are two alternatives for non-federal organizations concerning forms on which reimbursable costs are documented. The first alternative is the organizations' documentation form which has been pre-approved by the National Pollution Fund Center. If an organization lacks a pre-approved documentation form it may use the federal forms which are shown as exhibits to this tab.

Personnel rates will be determined to the maximum extent in advance. Contractor rates for contractors with Basic Ordering Agreements are fixed by the BOA. Standard rates for Coast Guard personnel are contained in Commandant Instruction 7310.1 (series). Other agencies are encouraged to have established personnel rates which can be furnished to the OSC. For

organizations and contractors not having standard rates, this fact should be made known to the OSC early in the spill so that it may be addressed.

In spills where total expenditures are expected to be less than \$50K, cost documentation may be collected by the FOSC and forwarded to the National Pollution Funds Center at the conclusion of the spill response. In larger spill responses this information must be compiled and forwarded daily to the OSC and then the NPFC.

## D-I-D TIME UNIT

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## D-I-E PROCUREMENT UNIT

- (1) Negotiate, coordinate, document, and manage all contracts needed to support response operations.
- (2) Manage, coordinate, document, and account for all procurement orders needed to support response operations.
- (3) Manage, coordinate, document, and account for all payments made to support response operations.
- (4) Identify additional resources and logistics support needed to accomplish contracting and procurement services.
- (5) Report on the status of contracting, procurement, and payment services.



# D-I-F OSC ACCESS TO THE FUND

Should it become necessary, the OSC may access the fund by obtaining a Federal Project Number (FPN) and ceiling from Commander, Seventh Coast Guard District (m) (D7(m)). This request is normally made by phone. D7(m) will normally approve the request and establish the ceiling during the initial phone call. D7(m) will confirm the issuance of the FPN by message.

Should the OSC wish to hire a contractor which has a Basic Ordering Agreement (BOA) with the Coast Guard, the contractor is issued an Authorization to Proceed. The OSC must also send a message to the Coast Guard Maintenance and Logistics Command Atlantic (MLC) within 24 hours indicating that an Authorization to Proceed has been issued.

Should the OSC wish to hire a contractor which does not have a BOA with the Coast Guard, the OSC must first determine that a BOA contractor is not available or is unable to perform the required tasks. D7(m) should then be notified of the OSC's intent to hire a non-BOA contractor. The OSC may then issue the Authorization to Proceed and send the message as indicated above. The message should clearly indicate that a non-BOA contractor has been hired and why.

The OSC may "hire" federal organizations by the use of a Federal Agency Pollution Removal Funding Authorization. The organization will document its costs using the Pollution Incident Daily Resource Report and bill the fund using Form SF 1080 (see exhibit 1 to this tab).

The OSC may hire other governmental organizations (state and local) by the use of a Non Federal Agency Pollution Removal Funding Authorization. The organization will document its costs using the Pollution Incident Daily Resource Report or other system approved the NPFC.

Once a FPN has been obtained, all message traffic must contain the National Pollution Funds Center (NPFC), Coast Guard Finance Center and Maintenance and Logistics Command (MLC) as information addressees.

Should a FPN which has been obtained prove unnecessary (no funds expended), the OSC must inform D7(m) of this fact so they can deactivate the FPN.

During a spill the Coast Guard will monitor the activities of all contractors hired by the OSC as well as document its own costs. Other agencies will document their costs on the appropriate forms. At the end of the response all documentation will be submitted to the OSC for verification and forwarding to the NPFC.

# D-I-G STATE ACCESS TO THE FUND - DIRECT AND INDIRECT

OPA 90 allows for access to the fund by states under certain conditions. One of these conditions is acting as a contractor for the OSC. The situation is described in Tab B to this appendix.

The other conditions in which a state can access the fund are highly unlikely in this AOR. They are much more likely to occur in inland areas. Interim procedures and guidelines for state access to the fund under these conditions may be found in 33 CFR Part 133 (Federal Register of 13 Nov 92).

The Governor of Florida has designated a representative for state access to the Fund. The following letter designates the Chief, Office of Coastal Protection to make request pursuant to Section 133.25 of OPA 90

# D-I-H LEAD ADMINISTRATIVE TRUSTEE ACCESS TO THE FUND

Administrative Trustees are organizations with responsibilities for specific areas or natural resources such as the Department of the Interior. OPA 90 authorizes these organization access to the fund through one administrative trustee known as the Lead Administrative Trustee (which must be a federal agency.) The designation of Lead Administrative Trustee is made for each spill based on the involvement of each organization. Administrative trustee access to the emergency fund would most likely be limited to beginning the damage assessment process.

The Lead Administrative Trustee may request funding directly from the NPFC case officer for the purpose of initiating damage assessments. The NPFC case officer will inform the FOSC that funds have been requested by the Lead Administrative Trustee.

# D-I-I RESOURCE DAMAGE ASSESSMENT PROCEDURES

Damage assessment procedures are being developed by NOAA and will be included in this plan when completed.

The State of Florida has established damage assessment procedures in Chapter 376.121 of the Florida State Statutes entitled "Liability for Damages to Natural Resources".